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Report Highlights:

The Dominican Republic continues to be the fourth largest market for food and agricultural products in the Western Hemisphere. We expect the DR-CAFTA to strengthen the competitive position of the United States in the Dominican market. As reported in DR7019, the GODR through the General Directorate of Norms and Standards (DIGENOR) declared that as of November 21, 2007, the Dominican norm on food labeling and standards would be compulsory. This norm includes a requirement for Spanish labeling. DIGENOR has had several meetings with the private sector to discuss the regulation.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Santo Domingo [DR1]
[DR]

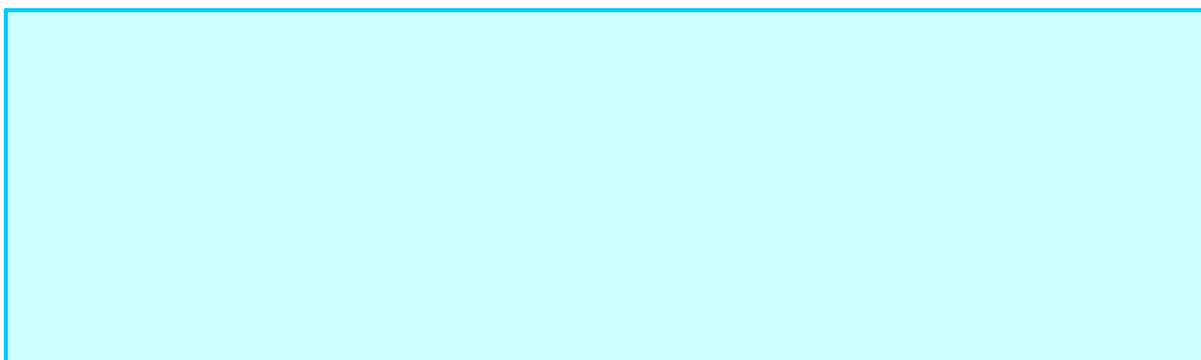
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I. MARKET OVERVIEW

A. Current Economic Situation

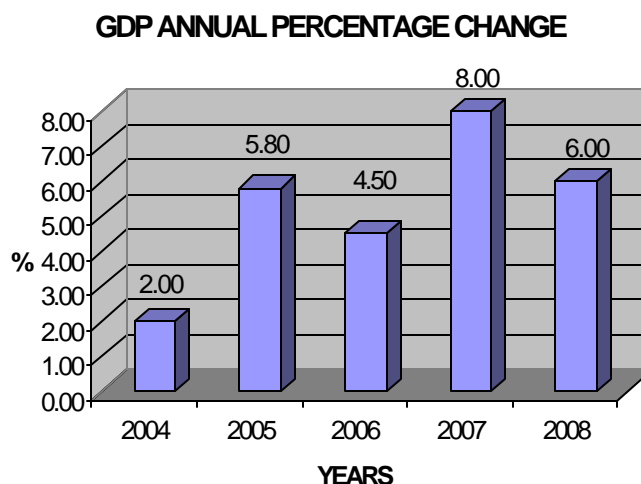
The Dominican economy is currently stable and expectations are for continued growth. The country will have presidential elections in May 2008, and the Economist points out on its web page that it is expected that President Fernandez remain in power (The Economist web page, September 12, 2007).

The Dominican Republic has a standby agreement with The International Monetary Fund (IMF), which will expire at the end of January 2008, but the Economist expects it to be renewed. The agreement has emphasized fiscal consolidation, strengthening the financial sector, improving the health of the energy sector, and improving governance.

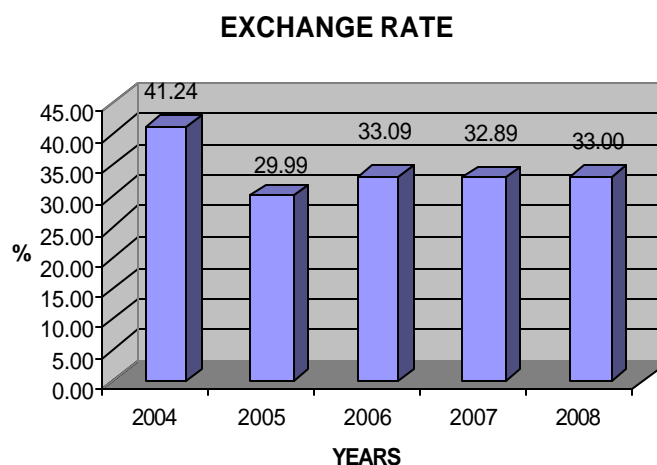
The Gross Domestic Product (GDP) has changed from 2% growth rate in 2002 to 4.5% in 2006. The Economist forecast it to grow by 8% by the end of 2007 before it slows down to 6% in 2008 (The Economist web page 2007)

The exchange rate has dropped significantly compared to 2004, when it went up to 41.24%, to 33.09 in 2006, and it is expected to continue at similar level during 2007 and 2008 with minor fluctuations.

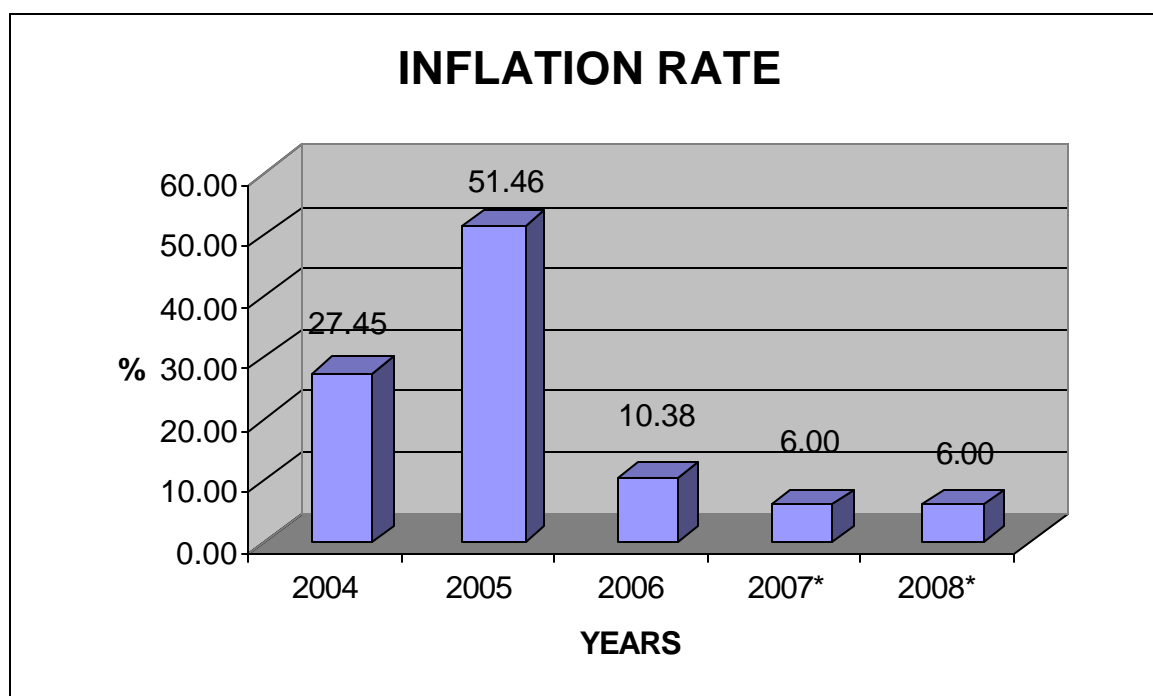
The inflation rate dropped from 51.46% in 2005 to only 10.38 % in 2006. For 2007 and 2008, it is expected to remain at about 6%.



Source: Central Bank of the Dominican Republic and The Economist Intelligence Unit. Data for 2007 and 2008 is a forecast made by The Economist Intelligence Unit's



Source: Central Bank of the Dominican Republic, 2007



Source: Central Bank of the Dominican Republic and The Economist Intelligence Unit.
Data for 2007 and 2008 are forecast values.

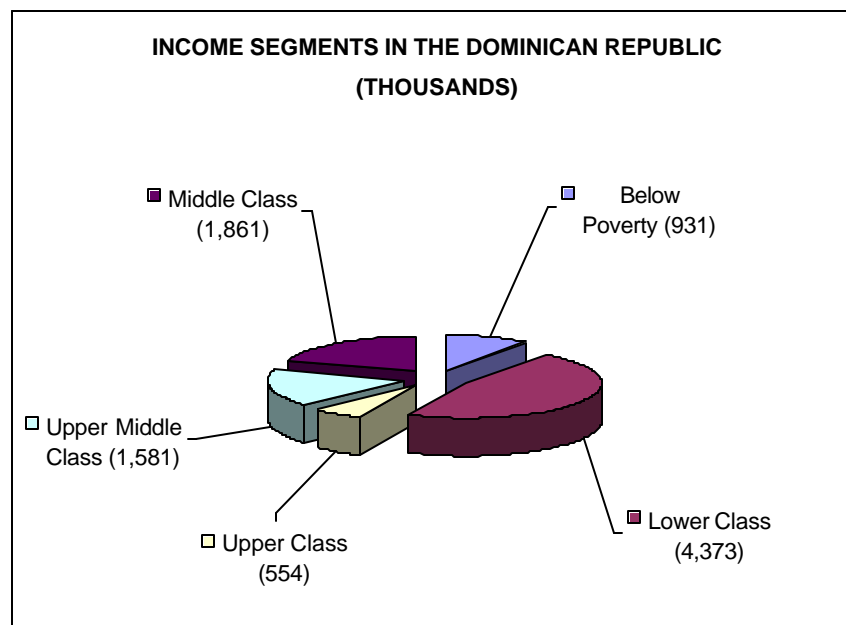
B. Demographics and income Distribution

Based on the 2002 census and estimates the National Statistics Office, the Dominican population is estimated at 9.3 million in 2007, with about 63% of the population (5.9 million) living in urban areas and 3.4 million, in rural areas. It is also estimated that the population of the Dominican Republic grows at a rate of about 1.7% per year. The forecast is to have almost 10 million people by 2010 (National Statistics Office, 2006).

Income distribution is one of the major constraints that affect the development of the Dominican Republic. The poorest half of the population receives less than one-fifth of the GNP, while the richest 10% receives nearly 40%. Income distribution is heavily skewed toward the upper class and upper middle class. This means that a significant portion of the population does not have an income level to purchase relatively expensive imported food products. However, consumers in or above the middle class, a total of 4.0 million people, shop regularly at supermarkets, eat in restaurants, and vacation in resorts. In this segment of the population are the potential customers for U.S. exporters. Luxury goods can only be targeted at the upper and upper middle class, with a total population of about 2.2 million people.

The population in the Dominican Republic is divided as follows:

- Upper Class: around 6 percent of the population (554,000 persons). These families and individuals are conspicuous consumers and have an income level that makes almost any product or service accessible.
- Upper Middle Class: this segment is about 17% of the population (1.6 million persons). It has an income level that makes expenditures on food products relatively insignificant as a portion of their overall income.
- Middle Class: about 20% of the population (1.9 persons). This class can afford most imported food products, but it must watch budget overall expenditures on food.
- Lower Class: about 47% of the population (4.4 million persons). This class lives at a subsistence level and consume mostly basic foods.
- Below Poverty Level: around 10% of the population (931,000 persons).



Source: National Statistics Office (ONE), 2007.

Internal migration toward the city of Santo Domingo has been constant over the past decade. With approximately 31% (2.9 million) of the total population, the city of Santo Domingo-the National District and the Santo Domingo province-and its surrounding suburbs have the biggest concentrated market in the country. Santiago is the second largest market with 957,000 people. Other important cities are San Pedro de Macorís, La Romana, La Vega, Bonao, San Francisco de Macorís, and Higuey. The construction of new highways, seaports, and airports in recent years and the well-developed telecommunications infrastructure allow smooth distribution of products throughout the country.

C. Market Size

The Dominican Republic is the fourth-largest market for U.S. agricultural, fish, and forestry products in the Western Hemisphere, behind Canada, Mexico, and Colombia. Based on BICO report data, exports of these products from the United States in 2006 were over 691 million. Considering the trend for the first five months of 2007, we expect these exports to increase by 17% by the end of the year.

Most of the growth in U.S. exports of agricultural, fish, and forestry products to the Dominican Republic in recent years has been in consumer-oriented products. According to UN trade data, in 2004, Dominican imports of consumer-oriented products were around \$240 million with a US share of about 35%.

According to statistics provided by the Central Bank of the Dominican Republic, the total demand for food and beverages is estimated at over US\$ 2 billion, with an average growth rate of six percent per year. It is also estimated that about 40 percent of all food and beverages consumed in the country is imported.

D. Advantages and Challenges in the Market

Advantages	Challenges
<ol style="list-style-type: none">1. Food distribution channels are becoming more efficient, which facilitates the introduction of new products.2. Dominicans are greatly influenced by U.S culture and have a positive perception of U.S. products.3. The tourism sector is large and growing, increasing the demand for high quality food products.4. The recent implementation of the DR-CAFTA has lowered or eliminated duties for some U.S. food products.5. The DR-CAFTA agreement should increase competition in the market.6. Consumers are demanding higher quality and healthier products, and they perceive U.S. products meet new requirements.	<ol style="list-style-type: none">1. Globalization has allowed other regions, such as Europe and South America to expand sales into the Dominican Republic, what has traditionally been a U.S. dominated market.2. The local Dominican food industry is becoming more efficient and more competitive, as it integrates new technologies into its production processes.3. The Dominican Republic is negotiating free trade agreements with other countries, such as the European Union, Canada, and Taiwan.4. Tariff rate quotas of sensitive products continue to protect local producers of products such as meat, dairy products, beans, rice, and poultry.5. Sanitary and phytosanitary issues continue to limit U.S. exports.6. The GODR plans to implement a standard which requires Spanish labeling. (Please see GAIN Report DR7019).

II. EXPORTER'S BUSINESS TIPS

A. Business Customs

Personal relationships are a key factor for doing business in the Dominican Republic. Business executives value personal contacts with suppliers. Many people may not want to do business with someone considered rude or disrespectful. A common courtesy is to give a warm handshake combined with a conversation about the person's well-being and his family prior to starting the business-related conversation. Dominicans are extremely friendly and tend to prefer to develop a personal relationship before going into a business relationship. This relationship helps Dominican business people develop more confidence before making any business commitment.

There are several ways for U.S. exporters to enter the Dominican market. They can use locally appointed distributors, a wholly owned subsidiary, joint venture partners, or Dominican importers and wholesalers who also own retail outlets. We advise that U.S. suppliers have a local representative or distributor in the Dominican Republic. It is advisable that exporters understand Law 173, which outlines the legal rights of a foreign supplier and a local distributor. This law has a wide scope of application, which includes any type of agency, representation, distribution, license, concession, franchise, or other agreement relating to products manufactured abroad or in the country. The law has been amended as a requirement of DR-CAFTA and allows that either party can terminate a contact at any time if one party considers so.

B. Consumer Taste

Dominicans have adopted much of the U.S. culture, such as music, sports, and fashion. The food consumption trend in the Dominican is similar to the trend in the United States, although we can estimate a lag of ten to fifteen years. But we can be sure that what is demanded in the United States will be demanded in the Dominican Republic in the future. Because of the globalization of the world economy, the lag is eventually shortening.

Dominican consumers have the idea that products made in more developed countries, such as the United States, are more reliable in terms of quality and safety. There is also a tendency, mainly among middle and high-income classes, to consume natural and healthy products. These consumers are demanding food with less saturated fat, cholesterol, and sugar.

C. Food Standards and Regulations

1. Import Procedures and Product Registration

The first step in importing new food products into the Dominican Republic is product registration. Consumer food products must be registered with the Ministry of Public Health (SESPAS), which issues a certificate with a Sanitation Registration Number, which must be printed on the label of the product.

The supporting documents which need to be brought to the office are the following:

- U.S. certificate of free sale
- Certificate of origin
- Label indicating the qualitative and quantitative formulation
- A copy of the letter of assignment or contract with a local agent (if one exists for the product);
- Registration fees and product samples.

The trademark must also be registered through the National Office of Intellectual Property of the Ministry of Industry and Commerce. This is not a legal requirement, but it is a protection for the owner. It is advisable to contract the services of a local legal firm to handle these processes.

Exporters need the following documents for shipments to the Dominican Republic that exceed the value of US\$100.00, which are required by the Dominican Custom Office.

- Bill of Lading (English or Spanish)
- Commercial Invoice
- Insurance Certificate (issued by a local insurance company)
- A Non-objection Certificate issued by the Ministry of Agriculture.
- Import Permit issued by the Department of Internal Taxes for alcoholic beverages.

2. Custom Clearance

According to the DR-CAFTA agreement, we understand that clearance currently averages seven days, if all the required documentation has been submitted. We recommend hiring a knowledgeable customs agent and, in some cases, who knows the officials involved in the processes for appraising, verifying, and clearing the merchandise. After fifteen days in port, shipping lines assess a daily charge for the use of containers. Port authorities also charge for the use of the space.

After the invoice is reviewed customs officials determine the duty. If it is determined that the invoice doesn't reflect what customs believes is an accurate price, the duty is based on an appraisal list (Lista de Valuación Aduanera-LVA).

Except for a limited quantity of products which enter duty free, tariffs are based on the C.I.F. value (Cost, Insurance, and Freight) in Dominican pesos at the current exchange rate. Tariffs range from 0 to 25 percent for most products DR-CAFTA. For more detailed information on those products, please refer to the DR-CAFTA text, which can be found at http://www.ustr.gov/Trade_Agreements/Bilateral/CAFTA/Section_Index.html and also at http://www.dga.gov.do/dgagov.net/uploads/file/Calendario_Desgravacion_DR-CAFTA.pdf

3. Labeling Regulation

The current national standard for labeling is contained in NORDOM 53, which was issued by the Norms and Standards Directorate (DIGENOR) of the Ministry of Industry and Commerce. It establishes all of the mandatory requirements that must be on the label for prepackaged individual and boxed foods. DIGENOR and the Ministry of Public Health (SESPAS) are responsible for implementing the standard. According to the Department of Norms and Standards (DIGENOR), all products must be properly labeled. Products packaged in the

presence of the final consumer or packaged in the stores for sale on the same day are exempted from this requirement.

DIGENOR issued a resolution in March 2007, which stated that by November 21, 2007 it would enforce the NORDOM 53, and products not meeting the standard will be removed from the shelves at the point of sale. The labeling rule has been in place since October 20, 1998, but it has not been enforced. Overall, U.S. labeling standards have been accepted in principle, but the rule follows *Codex Alimentarius* standard, and it contains some differences. One of the major concerns for U.S. exporters is the Spanish label requirement of the standard in question. Multilingual labels are fully accepted and stick-on labels meeting the Spanish requirements are also acknowledged in the ruling.

The label must provide the following information:

- All labels must be written in Spanish. A complementary label or counter-label may be used when the original label is not written in Spanish.
- Company brand.
- Product named
- Product description.
- Net & dry weights (in International Units, such as: kg, ml, etc.)
- List of ingredients and additives indicating the amounts used.
- The name and address of the producer and importer.
- Product batch code.
- Sanitation registration number (from the Department of Health).
- The expiration date.
- Country of origin
- Instructions for product use.

For more detailed information on the labeling requirements please refer to our FAIRS Report DR7019, which can be found at <http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>, Option 3.

D. Opportunities and Challenges after the Implementation of the DR-CAFTA

The DR-CAFTA agreement is the new instrument guiding business between the United States and the Dominican Republic. The agreement, which was implemented on March 1, 2007, establishes more transparent processes for trade and, it is expected to open the market for new U.S. consumer-oriented products which have been facing tariff and non-tariff barriers. The agreement eliminates duties for some products immediately while others will slowly lower over five to twenty years.

We expect business opportunities to expand; however, as with any change, there will likely be kinks in the process that need to be ironed out. Therefore, the AgOffice expects to closely monitor implementation and appreciates feedback from the trade.

III. MARKET SECTOR STRUCTURE

A. Retail Food Sector

Consolidation has been the major trend of the Dominican Republic's distribution industry, and it is affecting all points on the traditional importer, wholesaler, and retail supply chain. An extended period of economic growth, with the exception of the financial crisis of 2003, has contributed with the evolution of the supermarket industry in urban and high-income areas. This has created pressure along the supply chain to provide value-added service and reduce intermediary costs.

Many of the large retail companies have vertically integrated import and distribution activities through their parent companies. Importer-distributors add value to their service by supplying a wide range of products. These distributors also supply other chains, and the converse happens as well, with supermarkets frequently purchasing goods from other distributors outside the parent group. Large importer-distributors frequently serve as exclusive agents for international brands.

The food distribution system has experienced substantial changes in recent years. Supermarkets are becoming more important at the expense of the traditional system of warehouses and mom 'n pop grocery stores. Foreign supermarket chains, such as PriceSmart from the United States and Carrefour from France, have retail outlets in Santo Domingo and Santiago. Local supermarket chains made extraordinary expansion efforts and adjustments to compete with foreign chains. They have modern technology for managing their operations and aggressive marketing strategies to attract new clients. Small local supermarkets are also designing strategies to compete with giants. At the end of 2001, the owners of a group of small supermarkets created an association to try to procure their products directly from suppliers and avoid going through local importers, assuring lower prices and gaining a competitive edge over large supermarkets.

The traditional retail food sector of the country is comprised of supermarkets (that targets middle and high income customers and also function as importers), warehouse owners (who supply the small grocery stores and also function as retailers) and the mom 'n pop stores, known as *Colmados*. The *Colmados* are scattered all over the country. Their customer base is mainly middle and low income customers, however, they also function as convenience stores in almost all neighborhood in urban areas.

Although mon n' pop stores (*colmados*) distribute about 70 percent of food products, they carry a narrow selection of products and are not generally a target for new products from U.S. suppliers. However, there are many *colmados* associations that are importing products directly with the implementation of the DR-CAFTA. Leader of those associations are now interested in attending trade shows in the United States to learn about new products available with potential for the Dominican market.

The supermarket industry has advanced a lot in the country during the last ten to twelve years. The stores of the major supermarket chains in the country are comparable to those of industrialized nations in various aspects, such as space, variety of products, operations technology, product layout, and aggressive marketing strategies. The number of supermarkets and other stores selling consumer products in the mass segments of Santo Domingo and other cities of the country is also increasing.

The economic stability of the Dominican Republic is leading some U.S. supermarket chains to explore the market and to plan to establish some stores. Some companies are planning to build new stores, and other ones are looking toward purchasing others.

For more detailed information on this sector, please refer to the Retail Food Sector Report (DR6002) at <http://www.fas.usda.gov/scripts/AttacheRep/default.asp>, which provides more details on the development of the sector in the Dominican Republic.

B. Hotel, Restaurants and Institutions

The Dominican hotel, restaurant and institutional sector, which is one of the largest in the Caribbean, includes a diverse tourism sector, business hotels, upscale and more informal restaurants, and fast food franchises. Consumption of food and beverages in the Dominican Republic's (DR) non-tourist sector is estimated at over US\$700 million. Consumption at all-inclusive resorts is estimated at over US\$443.3 million, for a total of over US\$1 billion for the two sectors. However, the use of imported products in the institutional sector is limited, reducing the attractiveness of this segment to U.S. exporters.

As mentioned before, around 40 percent of the total food and beverage consumption in the country is imported and over 35 percent comes from the United States. However, it is important to note that the country's food processing industry is improving its efficiency and competitiveness. This means competition from domestic products will likely grow.

There are several trends in the HRI sector that bode well for future demand for imported food products. Over 40 percent of women have now joined the workforce and the percentage will continue to grow. This results in higher demand for meals outside the home and more convenience in retail food products. An increase in the number of Dominicans taking vacations in country is pushing up food consumption in the HRI sector.

Increasing menu diversification, as Dominicans internationalize their consumption habits, is also increasing the demand for imported products in the sector. Fast food is well established in the market, and there is an increase in the consumption of pizzas, hamburgers, and other types of fast food.

Sub-sector profiles within the HRI Sector

Resorts

The resort/hotel sector is the largest in the Caribbean region. It has over 100 hotels with almost 60,000 rooms. The Dominican Republic is receiving increasing worldwide recognition as a premier vacation destination, which has made it an attractive venue for fairs, conferences, conventions and international events. These factors contribute to an increasing flow of business people to the country.

Almost all the hotels located outside the city of Santo Domingo are all-inclusive resorts. Most of them are located in the northern and eastern side of the country. Some of the hotel

chains in the country import part of the food products and food ingredients used, or at least buy them from local importers-distributors.

Business Hotels

Most of the business hotels are located in Santo Domingo, the capital city. They are basically business hotels, but tourists interested in the Colonial City and other tourist attractions in Santo Domingo use them. Most of them belong to large worldwide hotel chains. Including all-inclusive resorts, the total number of new hotel rooms by the end of 2006 was estimated at over 9,000.

Restaurants

Santo Domingo has an extensive up-scale restaurant sector, which caters to the wealthier classes, businesses, and tourists. All of them have international menus and individual specialties. Ethnic restaurants include German, Arabic, Argentine, Spanish, French, Italian, Mediterranean, Mexican and Chinese.

Restaurants offer good opportunities for exporters from the United States. To meet the needs for international dishes, they import beef, fish and seafood, pasta, and hams. Since these restaurants do not function as chains and purchases are small, they buy almost all products needed through importer/distributors.

The general trend towards eating out has led to the opening of many small restaurants focusing on the lunch crowd, independent cafeterias, cafeterias located inside businesses, and cafeterias in supermarkets. These establishments provide local food, sandwiches, and snacks at affordable prices to working-class Dominicans.

Fast Food

Fast food restaurants are the fastest growing sector in the food service industry. Foreign fast food chains, mostly from the United States, started in the Dominican Republic in 1994 and have been very well received by Dominicans. Over 48 of these establishments have been opened, mostly in Santo Domingo and Santiago. The entry of foreign fast food chains has spurred the development of local businesses, although they tend to specialize in local popular foods. Many of them import their own products, primarily in the case of hamburger, meats, chickens, potatoes, sauces and ice cream. Fresh vegetables and bread are procured domestically.

Institutions

Many large businesses have set up cafeterias in order to offer food to their employees. These are independently run. Some free trade zones and industrial parks have also begun to install cafeterias, with the objective of offering inexpensive food of an acceptable quality. These cafeterias are more oriented to serving traditional dishes, with over 90 percent of ingredients being produced domestically. In this category there is limited opportunity for U.S. exporters, except for basic items and condiments offered at cut-rate prices. The

handling of food in prisons and public hospitals has not been privatized and most inputs are sourced domestically.

IV. BEST PRODUCTS PROSPECTS

Dominican importers and consumers have shown high interests in the following products:

U.S. EXPORTS TO THE DOMINICAN REPUBLIC (THOUSAND OF DOLLARS)	
PRODUCT	2006
1. Dairy Products	17,316
2. Red Meats, Fresh/Chilled/Frozen	15,470
3. Fresh Fruit	9,371
4. Snack Foods	10,868
5. Poultry Meat	7,836
6. Processed Fruit and Vegetables	7,245
7. Breakfast Cereals and pancake mix	4,663
8. Fruit and Vegetable Juices	4,536
9. Eggs and Products	4,126
10. Wine and Beer	4,080
11. Low Carb and Light Foods	4,000*

Source: FAS BICO Report

* Estimated at about 4% of total consumer-ready products.

V. KEY CONTACTS AND FURTHER INFORMATION**FOREIGN AGRICULTURAL SERVICE**

Ave. Pedro H. Ureña #133, La Esperilla
Santo Domingo, Dominican Republic
Phone: (809) 227-0112 Ext. 275
Fax: (809) 732-9454
Email: agsantodomingo@usda.gov
Home page: <http://www.usemb.gov.do/fas.htm>

NATIONAL HOTEL AND RESTAURANT ASSOCIATION (ASONAHORES)

Calle Presidente González, Esquina Tiradentes
Edif. La Cumbre, 8th Floor, Plaza Naco
Santo Domingo, D.R.
Tel: (809) 368-4676
Fax: (809) 368-5566
Contacts: Ing. Luis López, President
Lic. Arturo Villanueva, Executive Vice-President
Email: asonahores@codetel.net.do

MINISTRY OF INDUSTRY AND COMMERCE, INDUSTRIAL PROPERTY OFFICE (ONAPI)

Ave. Los Proceres #11
Santo Domingo, Dominican Republic
Tel: (809) 567-7474
Fax: (809) 732-7758
Contact: Lic. Enrique Ramirez, Director
E-mail: e.ramirez@onapi.gov.do

INVESTMENT AND PROMOTION CENTER [CENTRO DE PROMOCIÓN E INVERSIÓN DE LA REPUBLICA DOMINICANA (CEI-RD)]

Ave. 27 de febrero, Plaza Independencia.
Santo Domingo, D. R.
Tel: (809) 530-5505
Fax: (809) 530-8208
Contact: Lic. Eddy Martínez, Director
Web page: www.cei-rd.gov.do

MINISTRY OF AGRICULTURE, LIVESTOCK DEPARTMENT

Ave. George Washington, Ciudad Ganadera
Santo Domingo, Dominican Republic
Tel: (809) 535-9689, ext. 223,
Fax: (809) 533-5863
Contacts: Dr. Angel Faxas, Livestock Department Director
Dr. Roberto Pou, Animal Health Director

MINISTRY OF AGRICULTURE, PLANT HEALTH DIVISION (SANIDAD VEGETAL)

Autopista Duarte Km. 6 ½, Jardines del Norte

Santo Domingo, Dominican Republic

Tel: (809) 547-3888, ext. 3786

Fax: (809) 227-1268

Contact: Ing. Luis Garrido, Director

MINISTRY OF PUBLIC HEALTH, QUALITY CONTROL AND RISKS FOR FOOD AND BEVERAGES DEPARTMENT (CONTROL DE ALIMENTOS)

Ave. San Cristobal, Esquina Ave. Tiradentes

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Fax: (809) 544-2083

Contact: Dr. Rafael Tobias Castellanos

NORMS AND STANDARDS BUREAU (DIGENOR)

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Santo Domingo, Dominican Republic

Tel: (809) 686-2205/06/07

Fax: (809) 688-3843

Contact: Dr. Julio Santana, Executive Director

APPENDIX I. STATISTICS

TABLE A. KEY TRADE AND DEMOGRAPHIC INFORMATION

Agricultural Imports From All Countries (\$Mil) / U.S. Market Share (%) ¹	1,304/(53)
Consumer Food Imports From All Countries (\$Mil) / U.S. Market Share (%) ² .	360 / (30.06)
Edible Fishery Imports From All Countries (\$Mil) / U.S. Market Share (%) ²	40 / (11.7)
Total Population (Millions) / Annual Growth Rate (%) ³	9.3 / (1.7)
Urban Population (Millions) / Annual Growth Rate (%) ³	5.9 / (About 1.9)
Number of Major Metropolitan Areas	6
Size of the Middle Class (Millions) / Growth Rate (%) ³	1.8 (About 1%)
Per Capita Gross Domestic Product (U.S. Dollars) ⁴	3,600
Unemployment Rate (%) ⁴	16.6
Per Capita Food Expenditures (U.S. Dollars) ⁵	300
Percent of Female Population Employed ⁶	29.94
Exchange Rate (US\$1 = X.X local currency)	DR\$32.5

Sources and Notes

1. FAS BICO Report. CY 2006
2. Estimated based on U.N trade database with data until 2004 and FAS BICO Report, CY 2006.
3. National Statistics Office. 2002 Census and its forecasts.
4. Central Bank of the Dominican Republic, 2007.
5. Based on central bank estimates and current population.
6. National Statistics Office. Online Database, 2007.
7. Central Bank of the Dominican Republic.

TABLE B. D.R. CONSUMER FOOD & EDIBLE FISHERY PRODUCT IMPORTS (\$1000)

	Import from the World			Import from the U.S.			U.S. Market Share	
	2004	2005*	2006*	2004	2005	2006	2004	2005/2006*
CONSUMER-ORIENTED AG. TOTAL	225,768	325,662	360,493	74,466	97,891	108,361	32.98	30.06
Snack Foods (Excl. Nuts)	21,947	28,844	35,622	6,171	8,800	10,868	28.12	30.51
Breakfast Cereals & Pancake Mix	3,152	4,198	5,541	2,075	3,533	4,663	65.83	84.16
Red Meats, Fresh/Chilled/Frozen	4,765	10,704	14,892	4,711	11,119	15,470	98.87	103.88
Red Meats, Prepared/Preserved	3,326	3,378	2,153	1,890	2,127	1,356	56.83	62.98
Poultry Meat	5,179	7,321	6,171	6,304	9,295	7,836	121.72	126.97
Dairy Products (Excl. Cheese)	73,209	121,402	112,924	16,281	18,616	17,316	22.24	15.33
Eggs & Products	1,270	1,396	5,342	1,152	1,078	4,126	90.71	77.24
Fresh Fruit	7,588	14,373	14,827	5,485	9,084	9,371	72.29	63.20
Fresh Vegetables	4,795	5,951	6,567	519	966	1,066	10.82	16.23
Processed Fruit & Vegetables	17,675	20,021	17,884	8,032	8,111	7,245	45.44	40.51
Fruit & Vegetable Juices	4,120	4,710	5,585	3,881	3,825	4,536	94.20	81.22
Tree Nuts	581	787	1,179	1,292	1,339	2,007	222.38	170.22
Wine & Beer	12,331	11,186	9,920	4,152	4,601	4,080	33.67	41.13
Nursery Products & Cut Flowers	899	1,243	1,733	274	289	403	30.48	23.25
Pet Foods (Dog & Cat Food)	1,683	1,922	3,118	914	1,578	2,561	54.31	82.12
Other Consumer-Oriented Products	63,248	85,154	97,301	11,332	13,530	15,460	17.92	15.89
FISH & SEAFOOD PRODUCTS	50,149	35,172	40,398	4,842	4,125	4,738	9.66	11.73
Salmon	3,198	10,169	10,843	467	920	981	14.60	9.05
Surimi	79	23	9	715	120	50	905.06	530.37
Crustaceans	2,185	15,702	2,013	16	78	10	0.73	0.50
Groundfish & Flatfish	10,001	13000*	15000*	0	0	0	0.00	0.12
Molluscs	1,296	1,835	2,717	46	52	77	3.55	2.83
Other Fishery Products	33,390	20,964	25,675	3,599	2,955	3,619	10.78	14.10

Source: U.N. Trade Database. United Nations Statistics Division, 2002 TO 2004, and FAS BICO Report 2002-2006.

* World data for 2005 and 2006 were estimated based on U.S. average market share from 2002 to 2004 and actual data for import from the U.S.

TABLE C. D.R. TOP 15 SUPPLIERS OF CONSUMER FOODS & EDIBLE FISHERY PRODUCTS (\$1,000)

CONSUMER-ORIENTED AGRICULTURAL TOTAL

	2004	2005	2006
United States	74,466	97,891	108,361
Denmark	32,241	35,352	39,133
Netherlands	18,408	22,877	25,323
Spain	15,243	12,054	13,343
New Zealand	13,402	10,568	11,698
Chile	9,619	11,656	12,902
Colombia	10,027	11,237	12,439
Mexico	10,560	10,747	11,896
Costa Rica	6,320	5,942	6,578
Brazil	10,201	2,910	3,221
Italy	5,631	4,032	4,464
Argentina	3,021	5,438	6,020
Belgium	4,566	2,746	3,039
Canada	3,697	5,421	6,001
Guatemala	4,282	3,818	4,226
World	222,588	279,689	309,603

FISH & SEAFOOD PRODUCTS

	2004	2005	2006
Norway	26,467	22,550	25,901
Canada	13,381	11,401	13,095
United States	4,842	4,125	4,738
Panama	3,830	3,263	3,748
Thailand	4,416	3,762	4,322
Argentina	1,771	1,509	1,733
Peru	1,200	1,022	1,174
Spain	1,944	1,656	1,902
Ecuador	1,557	1,327	1,524
China (Peoples Rep.of)	273	233	267
Venezuela	157	134	154
Morocco	436	371	427
Chile	351	299	343
Costa Rica	508	433	497
Estonia	751	640	735
World	63,016	53,690	61,669

Source: U.N. Trade Database. United Nations Statistical Division.
FAS BICO Report

* Data for 2005 and 2006 for countries other than the U.S. were estimated based on U.S. Market share and actual U.S. data.

APPENDIX II. SELECTED INFORMATION ON THE DR-CAFTA

Table II. A. Baskets of Products According to Tariff Schedule

Basket	Tariff Schedule Reduction
A	Duty free (0%) immediately.
B	20% annual reduction, duty free by January 1, 2010 (reduction over 5 years).
C	10% annual reduction, duty free by January 1, 2015 (reduction over 10 years).
D	6.66% annual reduction, duty free by January 1, 2020 (reduction over 15 years)
F	No reduction until January 1, 2016. 10% annual reduction from January 1, 2016-25.
G	Free trade.
M	2% reduction in 2006. 2% additional reduction in 2007. 8% additional annual reduction from 2008-2012. 16% additional annual reduction from 2012-15.
N	8.3% annual reduction from 2006 to 2017.
O	No reduction until January 1, 2012. 10% annual reduction from January 2012 to January 2016. 12% annual reduction from 2016- 2020.
V	No reduction until January 2016. 8% annual reduction from January 2016-21. 12% annual reduction from January 2021-25.
W	25% annual reduction from 2006 to 2009.
X	No reduction in 2006. 25% annual reduction from January 1, 2007 to January 1, 2010.
Y	15% annual reduction from 2006-11. 5% annual reduction from 2011-15.

Source: Nuñez, Ruben, and De Paula, Danilo. CAFTA-DR: The Day After A Layman's Guide of What the Trade Agreement Means for the Dominican Republic A report Written for Chemonics International and the USAID., February, 2007.

Table II. B. Examples of Food Products by Basket (Base % tariff in parenthesis)

Basket	Products
A	Chicken wings (20), de-boned turkey breast (20), rabbit meat (20), some fish (20), some vegetables and salads (20), cold weather fruits, such as apples, grapes, pears (20), dry fruits (20), tea (20), species (20), olive oil (20), breakfast cereals (20), olives (20), capers (20), some fruit juices (20), sparkling wine (20)
B	Chicken breasts (25), red salmon (20), lobsters (20), cauliflower, broccoli and Brussels sprouts (20), beets (20), water melon (20), preparations from turkey meat (20), preparations of caviar, crabs and shrimp (20), preparations of salads and fruits (20), wine (20), cigars (20).
C	Bacon (40), mechanically de-boned chicken meat (99), liquid milk (20), butter (20), other cheeses (20), lamb and mutton (20), turkey breast with bone (20), potatoes (20), chick peas (20), dry coconuts (20), cashew nuts (20), tropical fruits (20), sweets of orange, lemons and papaya (20), tomato or papaya juice (20), mustard (20), mayonnaise (20), compound seasonings (20), whisky, gin, liquors (20).
D	Prime and choice beef (40) beef trimmings (25), onions (97), garlic (99), vegetable oil (20), margarine (20), cheddar cheese (20), beans (89).
F	Milk powder (56), Yogurt (20).
G	902 tariff codes that were already duty free: 161 agricultural
M	Wooden furniture (20).
N	Potatoes, turkey meat (40), ice cream (20), glucose and glucose syrup (14), pig fat (40).
O	Pork cuts (25).
V	Rice (99), Chicken leg quarters (99), mozzarella cheese (20).
W	Turkeys not cut in pieces (20).
X	Certain automobiles (20).
Y	Chicken, not cut in pieces (99).

Source: Nuñez, Ruben, and De Paula, Danilo. CAFTA-DR: The Day After A Layman's Guide of What the Trade Agreement Means for the Dominican Republic A report Written for Chemonics International and the USAID., February, 2007.